

ALTERNATE PLAN FOR VOCATIONAL EDUCATION

A.C.A. §§ 24-7-901-909
Act 480 of 1983, Act 1784 of 2001

DEFINITIONS

1. **Alternate Retirement Plan** means a retirement plan based on the purchase of contracts providing retirement and death benefits for instructors and administrative staff of the postsecondary vocational technical school of the State of Arkansas and the staff of the Department of Workforce Education and which has been approved by the board.
2. **School** means any postsecondary vocational technical school established pursuant to Section 3 of Act 328 of 1957 for the vocational training of students.
3. **Board** means the State Board for Workforce Education and Career Opportunities.
4. **Staff members** means both instructors and administrative staff of a postsecondary vocational technical school and the staff of the Department of Workforce Education who are eligible for membership in the Teacher Retirement System.
5. **Director** means the Director of the Department of Workforce Education.

RULES (Amended by Act 332 of 1995; Act 944 of 1997)

1. On or after July 1, 1983, the board may establish and maintain an alternate retirement plan, which shall authorize the purchase of contracts providing retirement and death benefits for staff members. Under such plan, staff members shall contribute, to the extent authorized or required, toward the purchase of such contracts that shall be issued to and become the property of the participants. This alternate retirement plan shall be administered by the board pursuant to a written alternate retirement plan document, which shall be formally adopted by the board prior to the establishment of the alternate retirement plan.
2. All staff members shall participate in either the Teacher Retirement System or an alternate plan or both, but participation in both shall be limited to the circumstances described in No. 3 below.

3. Any staff member who has become fully vested in the Retirement System may elect to discontinue contributing to the Teacher Retirement System, thus becoming an "inactive member," and participate instead in an alternate retirement plan. Such election shall be in writing and shall be filed with both the Teacher Retirement System and the director within 90 days after establishment of the alternate retirement plan and prior to the staff member's participation in an alternate retirement plan. Under such circumstances, the staff member would be both an "inactive member" of the Teacher Retirement System and an "active member" of the alternate retirement plan.
4. Any staff member who has become fully vested in the Teacher Retirement System may elect to participate in an alternate retirement plan and receive all accumulated contributions to the credit of such staff member in the member's deposit account and have such member's credited service under the Teacher Retirement System cancelled.
5. Notwithstanding the foregoing provisions, any staff member who has participated in the Teacher Retirement System for a period that is insufficient to allow for full vesting of the staff member's Retirement System benefits may elect (1) to continue as an "active member" in the Teacher Retirement System, (2) to discontinue membership in the Teacher Retirement System and transfer from the Teacher Retirement System into his or her account with the alternate retirement plan (i.e., roll over all contributions the staff member has previously made to the Teacher Retirement System), or (3) to participate in the alternate retirement plan and receive all accumulated contributions to the credit of such staff member in the member's deposit account. A refund cancels such member's credited service under the Teacher Retirement System.
6. No staff member may participate in an alternate retirement plan without giving prior written notice of the election to participate in the alternate retirement plan. Such notice of election shall be made within 90 days of the date on which the alternate retirement plan goes into effect, provided such election was made by September 1, 1985, or, for new staff members, 90 days after the staff member's date of employment. Such notice of election shall be in writing on a form established by the Department of Workforce Education and filed with both the director and the Teacher Retirement System.
7. No staff member who elects to change from participation in the Teacher Retirement System to participation in the alternate retirement plan, but continues employment in a position covered by the Teacher Retirement System, shall receive a year's service credit for less than a full year of contributions. The provision for crediting a year's service credit for only 120 days work is applicable only to members whose employment is terminated during a fiscal year.

8. Service for the year in which a member changed to the alternate retirement plan will be adjusted by the data processing department of Teacher Retirement as follows:

Service Reported D2A for each year	Service Credit Allowed by TRS	Converted to Computer Days
0 - 44 days	0 year	0 - 29 days
45 - 89 days	$\frac{1}{4}$ year	30 - 59 days
90 - 134 days	$\frac{1}{2}$ year	60 - 89 days
135 - 179 days	$\frac{3}{4}$ year	90 - 119 days
180 days	1 year	120 days

9. Service for the year in which a member changed to the Arkansas Teacher Retirement System shall be credited as follows:

Transfer made to ATRS	Credit received in ATRS
7-1-97	120 days
8-1-97	120 days
9-1-97	90 days
10-1-97	90 days
11-1-97	60 days
12-1-97	60 days

10. Effective July 1, 2001, staff members who elect to participate in an alternate retirement plan may elect to become members of the Retirement System. Service credit forfeited while a member of an alternate retirement plan cannot be established in the Retirement System. The election to withdraw from the alternate retirement plan and become a member of the Retirement System shall be made by December 31, 2001, and notice of the election shall be made in writing and filed with the Retirement System and the disbursing officer of the employing college or university by December 31, 2001.*

*The statutory basis for this subsection [A.C.A. § 24-7-907(5)] was first passed in 1993; subsequent legislation changed the dates from 1993 to 1995 to 1997 to 1999 to 2001.

Amended: June 15, 2004